

Message Text

LIMITED OFFICIAL USE

PAGE 01 MEXICO 11590 122154Z

ACTION ARA-14

INFO OCT-01 ISO-00 EB-07 COME-00 DOTE-00 XMB-02
CIAE-00 DODE-00 NSAE-00 NSCE-00 SSO-00 USIE-00
INRE-00 INR-07 PA-01 PRS-01 SP-02 AID-05 FRB-03
TRSE-00 OPIC-03 LAB-04 EPG-02 SIL-01 OMB-01 /054 W
-----026724 122200Z /65

O 122147Z JUL 77

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC IMMEDIATE 3480

INFO AMCONSUL MONTERREY

AMCONSUL GUADALAJARA

LIMITED OFFICIAL USE MEXICO 11590

E.O. 11652: N/A

TAGS: EALR, EINV, EIND, MX

SUBJECT: INDUSTRY REACTION TO AUTOMOTIVE DECREE

REF: MEXICO 10486

1. HENRY FORD II AND OTHER HIGH-RANKING FORD MOTOR COMPANY EXECUTIVES FLEW INTO MEXICO CITY FOR A CONVENIENTLY-TIMED REGIONAL MEETING JULY 5. DURING HIS 4-DAY STAY, FORD MET PRESIDENT LOPEZ PORTILLO, INDUSTRIAL DEVELOPMENT SECRETARY DE OTEYZA, COMMERCE SECRETARY SOLANA AND OTHER GOM OFFICIALS. IN PRESS CONFERENCE BEFORE LEAVING, FORD MENTIONED CONCERN OVER DISCRIMINATORY ASPECTS OF NEW AUTOMOTIVE DECREE AND SAID INVESTMENT PLANS WOULD HAVE TO BE REAPPRAISED. FORD SAID HE WAS IMPRESSED WITH PROGRESS IN MEXICO SINCE DECEMBER 1 AND HOPED THAT SOLUTIONS TO PROBLEMS POSED BY THE NEW DECREE WOULD BE FOUND THROUGH CONTINUED DIALOGUE WITH GOM. FORD DENIED ANY CUT-BACKS IN PASSENGER CAR MODELS MADE IN MEXICO NEXT YEAR.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MEXICO 11590 122154Z

2. REFTTEL, PARAGRAPH 4, OVERLOOKED CHRYSLER'S ASSEMBLY OF TRUCKS WITH DIESEL ENGINES, SO CHRYSLER TOUCHED BY ARTICLE 32 OF DECREE. CHRYSLER SOLD 60 PERCENT OF STOCK IN MOTORES PERKINS, DIESEL ENGINE PLANT TO DINA IN 1973 WHILE RETAINING 10 PERCENT. SO FAR IT WAS THE ONLY CAR MANUFACTURER BESIDES DINA AUTHORIZED TO PLACE DIESEL ENGINES IN TRUCKS. GM AND FORD HAVE HAD TO SHIP THEIR

TRUCKS TO DEALERS WHO THEN INSTALL DIESEL ENGINES FROM MOTORES PERKINS, THUS RESULTING IN SLIGHTLY HIGHER COSTS. CHRYSLER ALSO EXPORTS PD-600 MODEL TO CENTRAL AMERICA. CHRYSLER IS CURRENTLY NEGOTIATING WITH GOM FOR EXEMPTION TO ARTICLE 32. FORD IN PRESS CONFERENCE CLAIMED GOM HAD GRANTED EXEMPTION, SO CHRYSLER EXECUTIVE COMMENTED "MAYBE HE KNOWS SOMETHING WE DON'T".

3. ONLY DINA HAS NOT INCREASED PRICES ON ITS PASSENGER CARS. VAM HELD ITS INCREASE TO 7 PERCENT. THE NON-MEXICAN-OWNED FIRMS INCREASED PRICES BETWEEN 11 AND 13.7 PERCENT. FORD LTD GALAXIE, HIGHEST PRICED CAR MADE IN MEXICO, NOW COSTS 320,000 PESOS. VW BUG, WHICH USED TO BE CHEAPEST, IS NOW EDGED OUT BY DINA'S RENAULT 5 SELLING AT 85,000 PESOS. LUCEY

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, AUTOMOTIVE INDUSTRY, COMMERCE & INDUSTRY, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MEXICO11590
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770248-0099
Format: TEL
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770767/aaaacgfm.tel
Line Count: 77
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d30ae76c-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 MEXICO 10486
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1890354
Secure: OPEN
Status: NATIVE
Subject: INDUSTRY REACTION TO AUTOMOTIVE DECREE
TAGS: EALR, EINV, EIND, MX
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d30ae76c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009